

**CHAUTAUQUA HILLS PUBLIC WHOLESALE
WATER SUPPLY DISTRICT NO. 20**

AUDIT REPORT

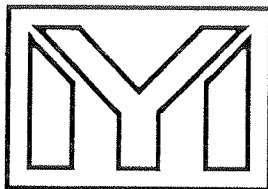
December 31, 2012

CHAUTAUQUA HILLS PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 20

December 31, 2012

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YERKES & MICHELS, CPA, LLC

CERTIFIED PUBLIC ACCOUNTANTS

John D. Carroll, CPA
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American Institute of Certified Public Accountants
Kansas Society of Certified Public Accountants
An Independent C.P.A. Firm

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Chautauqua Hills Public Wholesale Water Supply District No. 20
1989 Quivira Road
Sedan, KS 67361

We have audited the accompanying fund summary of regulatory basis receipts, expenditures, and unencumbered cash balances of the Chautauqua Hills Public Wholesale Water Supply District No. 20, Sedan, Kansas, as of and for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As describe in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas, on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of December 31, 2012, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of individual fund schedules of regulatory basis receipts and expenditures are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the

audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.


YERKES & MICHELS, CPA, LLC

October 10, 2013

CHAUTAUQUA HILLS PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 20
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATROY BASIS

For the Year Ended December 31, 2012

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance	
<u>GOVERNMENTAL TYPE FUNDS</u>								
Debt Service Fund								
Bond and Interest Fund	\$ 78,665.01	\$ -	\$ 223,996.27	\$ 203,000.00	\$ 99,661.28	\$ -	\$ 99,661.28	Bond and Interest Fund
Capital Project Fund								
Construction Fund	(48,111.16)	-	132,000.00	82,000.00	1,888.84	-	1,888.84	Construction Fund
<u>PROPRIETARY TYPE FUNDS</u>								
Water Operations Fund	122,228.42	5,237.47	1,023,116.33	918,451.56	232,130.66	14,211.26	246,341.92	Water Operations Fund
TOTAL PRIMARY GOVERNMENT	\$ 152,782.27	\$ 5,237.47	\$ 1,379,112.60	\$ 1,203,451.56	\$ 333,680.78	\$ 14,211.26	\$ 347,892.04	TOTAL PRIMARY GOVERNMENT

COMPOSITION OF CASH-Primary Government

First National Bank of Sedan:	
Account No. 289174	\$ 1,888.84
Account No. 304397	246,341.92
Account No. 512958	28,742.78
Account No. 305816	50,445.50
Account No. 305808	20,473.00
TOTAL PRIMARY GOVERNMENT	\$ 347,892.04

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

NOTES TO THE
FINANCIAL STATEMENT

CHAUTAUQUA HILLS PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1A. FINANCIAL REPORTING ENTITY

The Chautauqua Hills Public Wholesale Water Supply District No. 20, Sedan, Kansas, is governed by an appointed Board of Directors. Each of the twelve (12) member districts is represented by a Board member. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The Water Supply District's purpose is to acquire water and water rights and to build water treatment and storage facilities, water pipelines, and other facilities, and to operate the same for the purpose of providing wholesale water to participating public entities and other users interested in obtaining water from the District.

1B. REGULATORY BASIS OF ACCOUNTING AND DEPARTURE FROM ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other asset, liabilities or deferred inflows or outflows, other than those mentioned above.

The Water Supply District has approved a resolution that is in compliance with K.S.A. 75-1120a(c) waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

1C. REGULATORY BASIS FUND TYPES

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the Chautauqua Hills Public Wholesale Water Supply District No. 20, Sedan, Kansas, for the year 2012:

CHAUTAUQUA HILLS PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

1C.REGUALTORY BASIS FUND TYPES

GOVERNMENTAL FUNDS

Debt Service Funds - to account for the accumulation of resources for, and the payment of, interest and principal on long-term debt, and the financing of special assessments which are general obligations of the Chautauqua Hills Public Wholesale Water Supply District No. 20, Sedan, Kansas.

Capital Projects Funds - to account for financial resources segregated for the acquisition of major capital facilities.

PROPRIETARY FUNDS

Enterprise Funds – to account for activities in which a fee is charged to an external user for goods or services.

1D. BUDGETARY INFORMATION

A legal operating is not required for the Water District. Spending in the Water District's funds is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL MATTERS

The water sale contracts between the Public Wholesale Water Supply District No. 20 and the member Water Districts call for a monthly escrow of funds to be used for operating expenses when Water Districts are credited annually with water usage after it has been determined that they did not use, for the prior year, their minimum water quantity as specified in the water contract. During 2012, \$26,103.35 was deposited into the escrow account for these purposes.

The District's loan requirements for Revenue Bonds Series A-F require that a loan reserve account be established. The District has an established loan reserve account with a balance of \$48,447.50, however the amount required to be in this account is \$54,466.40.

The District is in violation of Kansas Statute K.S.A. 9-1402 and K.S.A. 9-1405, which states deposits with authorized financial institutions must be adequately secured. See more details in Note 3.

Management is not aware of any other regulatory, finance related or contractual violations applicable to the year ended December 31, 2012.

CHAUTAUQUA HILLS PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 3 – DEPOSITS AND INVESTMENTS

As of December 31, 2012, the Water District had no investments.

K.S.A. 9-1401 establishes the depositories which may be used by the Water Supply District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Water Supply District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the Water Supply District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Water Supply District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District had unsecured funds at December 31, 2012.

At year-end the carrying amount of the Water Supply District's deposits, was \$ 347,892.04. The bank balance was \$ 349,982.11. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by one bank, resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$99,982.11 was unsecured.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Water Supply District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

During the year ended December 31, 2012, the Water Supply District had no investments.

CHAUTAUQUA HILLS PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 4 – LONG TERM DEBT – see pages 11 and 12 for long term debt information

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the municipality allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the municipality is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the municipality makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

NOTE 5 – DEFINED BENEFIT PENSION PLAN

Plan description. The Water District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, Kansas 66603-3803) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depending on whether the employee is a Tier 1 and Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position of or after July 1, 2009. Kansas law established the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% for covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. Kansas law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates for KPERS employers.

NOTE 6 – COMPENSATED ABSENCES

Vacation leave is earned at a rate of ten (10) working days per year for the General manager and at a rate of five (5) working days per year for all other full-time employees. All employees receive one additional day of vacation each year of employment up to a maximum of twenty (20) days total vacation time per year, not including weekends.

All full-time employees accrue one sick or personal leave day per month of continuous employment until a maximum of twelve (12) days have accrued per year. Unused sick leave up

CHAUTAUQUA HILLS PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

to a maximum of twelve (12) days is added to the sick time allowable during the succeeding year or years which an employee shall be continuously employed by the District to a maximum of 60 days.

NOTE 7 - INTERFUND TRANSFERS

Operating transfers during the year were as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>
Bond and Interest Fund	Water Operations Fund	\$ 203,000.00
Water Treatment Plant Fund	Water Operations Fund	\$ 82,000.00
Water Operations Fund	Bond and Interest Fund	\$ 223,974.00

NOTE 8 - GRANTS

WATER AND WASTE DISPOSAL SYSTEMS FOR RURAL COMMUNITIES GRANT

The Chautauqua Hills Public Wholesale Water Supply District No. 20 was formed for the purpose of providing local rural cities and water districts with a source to purchase potable water. In August of 2001, United States Department of Agriculture – Rural Development awarded funding to begin a three phase project for the construction of a water treatment plant and the transmission system to provide surrounding communities and rural water districts with water. All three phases of the project were complete as of 2011. Remaining grant and loan funds are being used to cover the cost of repairs and improvement of the water treatment system until funds are exhausted.

NOTE 9 - CAPITAL PROJECTS

At year-end, capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	<u>Expenditures To Date</u>	<u>Project Authorization</u>
Water Treatment System – Phase III	\$ 8,869,875.75	\$ 8,991,764.59

NOTE 10 – USE OF ESTIMATES

The preparation of regulatory basis financial statements requires management to make estimates and assumptions that affect the reported amounts of expenditures during the audit period, encumbrances outstanding, fair value of investments, and disclosure of contingencies at the end of the audit period. Actual results could differ from the estimates.

CHAUTAUQUA HILLS PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 11 – SUBSEQUENT EVENTS

In March 2013, the District Board approved beginning the process of refinancing Series A-E Revenue Bonds. The refinancing was approved by USDA Rural Development in July 2013. The refinance of the bonds will decrease the District's interest rate and will pay off the debt 11 years earlier.

CHAUTAUQUA HILLS PUBLIC WHOLESAL WATER SUPPLY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENT
December 31, 2012

NOTE 4 - LONG TERM DEBT

Changes in long term liabilities for the Water Supply District for the year ended December 31, 2012, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Revenue Bonds:										
Water System Revenue Bonds, Series A, 2006	4.375%	11/15/2006	1,138,000	11/15/2046	1,078,000	-	16,000	(16,000)	\$ 1,062,000	47,162.50
Water System Revenue Bonds, Series B, 2006	4.375%	11/15/2006	300,000	11/15/2046	284,000	-	4,000	(4,000)	\$ 280,000	12,425.00
Water System Revenue Bonds, Series C, 2006	4.375%	11/15/2006	500,000	11/15/2046	474,000	-	7,000	(7,000)	\$ 467,000	20,737.50
Water System Revenue Bonds, Series D, 2006	4.375%	11/15/2006	524,000	11/15/2046	498,000	-	7,000	(7,000)	\$ 489,000	21,700.00
Water System Revenue Bonds, Series E, 2009	4.375%	11/18/2009	643,000	11/18/2049	631,000	-	7,000	(7,000)	\$ 624,000	27,606.25
Water System Revenue Bonds, Series F, 2009	2.500%	11/18/2009	1,655,000	11/18/2049	1,605,000	-	26,000	(26,000)	\$ 1,579,000	40,125.00
Total Bond Indebtedness / Long-Term Debt					\$ 4,588,000	\$ -	\$ 67,000	\$ (67,000)	\$ 4,501,000	\$ 169,756.25

CHAUTAUQUA HILLS PUBLIC WHOLESAL WATER SUPPLY DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 4 - LONG TERM DEBT (cont'd.)

Current maturities of long term debt and interest for the next five years and in five year increments through maturity are as follows:

Principal:	2013	2014	2015	2016	2017	2018 - 2022	2023 - 2027	2028 - 2032	2033 - 2037	2038 - 2042	2043 - 2047	2048 - 2049	TOTAL
Revenue Bonds - Series A	\$ 17,000.00	\$ 17,000.00	\$ 18,000.00	\$ 19,000.00	\$ 19,000.00	\$ 107,000.00	\$ 126,000.00	\$ 150,000.00	\$ 179,000.00	\$ 212,000.00	\$ 198,000.00	\$ -	\$ 1,062,000.00
Revenue Bonds - Series B	4,000.00	5,000.00	5,000.00	5,000.00	5,000.00	28,000.00	33,000.00	40,000.00	47,000.00	56,000.00	52,000.00	-	280,000.00
Revenue Bonds - Series C	7,000.00	8,000.00	8,000.00	8,000.00	8,000.00	47,000.00	56,000.00	66,000.00	79,000.00	93,000.00	87,000.00	-	467,000.00
Revenue Bonds - Series D	8,000.00	8,000.00	8,000.00	9,000.00	9,000.00	49,000.00	58,000.00	69,000.00	82,000.00	98,000.00	91,000.00	-	489,000.00
Revenue Bonds - Series E	7,000.00	7,000.00	8,000.00	8,000.00	8,000.00	48,000.00	59,000.00	73,000.00	91,000.00	111,000.00	139,000.00	65,000.00	624,000.00
Revenue Bonds - Series F	26,000.00	27,000.00	28,000.00	29,000.00	29,000.00	157,000.00	178,000.00	200,000.00	228,000.00	258,000.00	292,000.00	127,000.00	1,579,000.00
Total Principal	\$ 69,000.00	\$ 72,000.00	\$ 75,000.00	\$ 78,000.00	\$ 78,000.00	\$ 436,000.00	\$ 510,000.00	\$ 598,000.00	\$ 706,000.00	\$ 828,000.00	\$ 859,000.00	\$ 192,000.00	\$ 4,501,000.00
Interest:													
Revenue Bonds - Series A	\$ 46,462.50	\$ 45,718.75	\$ 44,975.00	\$ 44,187.50	\$ 43,356.25	\$ 203,568.75	\$ 178,543.75	\$ 148,968.75	\$ 113,706.25	\$ 71,706.25	\$ 14,206.25	\$ -	\$ 955,400.00
Revenue Bonds - Series B	12,250.00	12,075.00	11,856.25	11,637.50	11,418.75	53,681.25	47,118.75	39,331.25	29,925.00	18,943.75	5,718.75	-	253,956.25
Revenue Bonds - Series C	20,431.25	20,125.00	19,775.00	19,425.00	19,075.00	89,643.75	78,662.50	65,537.50	49,962.50	31,543.75	9,668.75	-	423,860.00
Revenue Bonds - Series D	21,393.75	21,043.75	20,693.75	20,343.75	19,950.00	93,712.50	82,118.75	68,556.25	52,412.50	33,075.00	10,106.25	-	443,406.25
Revenue Bonds - Series E	27,300.00	26,993.75	26,687.50	26,337.50	25,987.50	124,118.75	112,743.75	98,700.00	81,200.00	59,543.75	32,987.50	4,287.50	646,887.50
Revenue Bonds - Series F	39,475.00	38,825.00	38,150.00	37,450.00	36,725.00	172,325.00	151,650.00	128,375.00	102,050.00	72,050.00	38,100.00	4,775.00	859,950.00
Total Interest	\$ 167,312.50	\$ 164,781.25	\$ 162,137.50	\$ 159,381.25	\$ 156,512.50	\$ 737,050.00	\$ 650,837.50	\$ 549,468.75	\$ 429,256.25	\$ 286,862.50	\$ 110,787.50	\$ 9,062.50	\$ 3,583,450.00

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

CHAUTAUQUA HILLS PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 20

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

BOND AND INTEREST FUND

For the Year Ended December 31, 2012

CASH RECEIPTS	
Interest Income	\$ 22.27
Transfers In	<u>223,974.00</u>
TOTAL CASH RECEIPTS	<u>\$ 223,996.27</u>
EXPENDITURES	
Transfers Out	<u>\$ 203,000.00</u>
TOTAL EXPENDITURES	<u>\$ 203,000.00</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 20,996.27
UNENCUMBERED CASH, BEGINNING	<u>78,665.01</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 99,661.28</u></u>

CHAUTAUQUA HILLS PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 20

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

WATER TREATMENT PLANT FUND

For the Year Ended December 31, 2012

CASH RECEIPTS	
Grant/Loan Income - Rural Development	<u>\$ 132,000.00</u>
TOTAL CASH RECEIPTS	<u>\$ 132,000.00</u>
EXPENDITURES	
Transfers Out	<u>82,000.00</u>
TOTAL EXPENDITURES	<u>\$ 82,000.00</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 50,000.00
UNENCUMBERED CASH, BEGINNING	<u>(48,111.16)</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 1,888.84</u></u>

CHAUTAUQUA HILLS PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 20

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

WATER OPERATIONS FUND

For the Year Ended December 31, 2012

CASH RECEIPTS	
Water Sales	\$ 726,955.70
Transfers In	\$ 285,000.00
Miscellaneous Revenue	11,160.63
	<hr/>
TOTAL CASH RECEIPTS	\$ 1,023,116.33
	<hr/>
EXPENDITURES	
Payroll Expenses	\$ 138,514.00
Supplies & Materials	153,652.43
Utilities	86,132.73
Insurance	41,011.44
Repairs and Maintenance	18,665.47
Dues and Permits	4,493.70
Office Expense	2,301.11
Interest Expense	169,756.25
Principal Payment	67,000.00
Auto Expense	12,532.99
Miscellaneous	417.44
Transfers Out	223,974.00
	<hr/>
TOTAL EXPENDITURES	\$ 918,451.56
	<hr/>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 104,664.77
UNENCUMBERED CASH, BEGINNING	122,228.42
PRIOR YEAR CANCELLED ENCUMBRANCES	5,237.47
	<hr/>
UNENCUMBERED CASH, ENDING	\$ 232,130.66
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